



HONG KONG MONETARY AUTHORITY

香港金融管理局

Banking Conduct Department

銀行操守部

Our Ref: B9/32C

28 May 2010

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Requests for Information from Overseas Tax Authorities

It has come to our attention that some authorized institutions (“AIs”) have received requests from overseas tax authorities for information regarding accounts held in Hong Kong by their customers who are resident in or otherwise subject to tax in the jurisdiction concerned. A request is usually based on the tax legislation of the jurisdiction concerned and may be addressed to the parent, branch, subsidiary or other affiliate of an AI operating in that jurisdiction, which then passes the request to the AI in Hong Kong.

We would like to remind AIs of the need to ensure that they fulfill their duty of confidentiality to their customers and comply with Hong Kong laws and other regulatory requirements when dealing with such requests. In particular, AIs should ensure that they comply with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486) (“PDPO”). AIs should note that Data Protection Principle 3 in Schedule 1 of the PDPO provides that personal data shall not, without the prescribed consent of the data subject, be used for any purpose other than –

- (a) the purpose for which the data were to be used at the time of the collection of the data; or
- (b) a purpose directly related to the purpose referred to in paragraph (a).

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AIs should ensure that they obtain appropriate legal advice before deciding how to respond to requests for information from overseas tax authorities.

Yours faithfully,

Meena Datwani
Executive Director (Banking Conduct)